

Congress of the United States
Washington, DC 20515

November 1, 2023

The Honorable Denis R. McDonough
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary McDonough:

The COVID-19 pandemic exposed the national security and public health risks of failing to guarantee adequate medical supplies. It is critical that we learn from this experience. In early 2020, the Chinese Communist Party (CCP) nationalized the medical supply industry of the People's Republic of China (PRC) to redirect exports for domestic use.¹ This led to a global shortage of medical supplies that was acutely felt here in the United States, impacting every health system, from the Department of Veterans Affairs (VA) down to small rural hospitals. If our reliance on Chinese manufacturing and our lack of sufficient domestic production are not properly addressed, our public health supply chain will remain at risk of manipulation by the CCP, putting Americans in danger in future emergencies.

In Executive Order (EO) 14001, "On a Sustainable Public Health Supply Chain," VA was directed to collaborate with the Department of Defense, Department of Health and Human Services (HHS), and Department of Homeland Security on a national strategy to create a more reliable public health supply chain.² While the departments' report describes the conditions that rendered our supply chain vulnerable during the pandemic and lays out objectives to make that supply chain more robust and visible, it includes very little detail as to when and how the strategy will be implemented. Like so many other government reports, we are concerned that this report is gathering dust on a shelf and failing to translate into action.

As the largest integrated health care system in America and the largest day-to-day buyer and consumer of medical supplies among federal agencies, VA has a key role to play in supply chain resiliency. Thousands of different items—from medical devices to personal protective equipment, pharmaceuticals including active pharmaceutical ingredients and precursor chemicals, and durable medical equipment—each with their own unique mix of components, are sourced through China. We need to reevaluate the conventional wisdom that just-in-time inventory is sufficient. Holding greater inventories may be somewhat more expensive, but it greatly increases the medical supply chain's reliability.

¹ Congressional Research Service: "COVID-19: China Medical Supply Chains and Broader Trade Issues" (December 2020)

² Exec. Order No. 14001: "On a Sustainable Public Health Supply Chain", 86 FR 7219 (January 2021)

VA began taking some steps in this direction under former acting Under Secretary for Health Richard Stone, but much more must be accomplished. While many of our national medical supply chain vulnerabilities are larger than VA and require a whole-of-government approach to reduce reliance on China and other unreliable foreign sources, the report identifies several concrete actions VA can take now to protect veterans and move the effort forward.

Pursuant to our Committees' ongoing oversight responsibilities, we ask that you provide answers to the following questions pertaining to the National Strategy for a Resilient Public Health Supply Chain³ by November 29, 2023. When producing documents, do not alter them in any way, including but not limited to the application of redactions or a watermark. Additionally, digital copies should be provided in a format that enables their printing and copying by the Committees.

1. Over the past two years, has VA participated in any whole-of-government pandemic exercises to assess supply chain preparedness and other aspects of preparedness? If so, what were the outcomes of the exercise(s)—is the public health supply chain any better able to withstand another supply shock inflicted on the U.S. by an adversary?
2. What sort of internal training, development, or exercises has VA conducted to prepare for another public health emergency, potentially including another major supply disruption?
3. Has VA taken part in any quantitative or qualitative assessments of its public health supply chain resiliency? Do these assessments address specific dependencies on the People's Republic of China?
4. Has VA taken any steps to specifically assess the reliance of its public health supply chain on medical purchasing from the PRC? If so, does VA have any processes in place to periodically reassess its public health supply chain to identify emerging risks or dependencies?
5. Has VA contributed to the development of an annual "report card" to assess the resilience of the public health supply chain?
6. What is VA's future role in the Strategic National Stockpile (SNS)? How will VA's regional readiness centers interact with the SNS?
7. What engagement has VA had with HHS regarding management and use of the SNS?
8. How much and what types of supplies has VA transferred to, and received from, the SNS over the past two years?
9. Is VA satisfied with the plan to coordinate distribution of critical medical supplies between federal agencies in emergencies? The National Strategy for a Resilient

³ The White House: "National Strategy for a Resilient Public Health Supply Chain" (July 2021)

Public Health Supply Chain notes that at the outset of the COVID-19 pandemic, VA was not given equal priority for distribution, compared to other federal agencies and health systems.

10. How is VA working with HHS to make the public health supply chain more visible through data sharing, demand modeling, research, or forecasting?
11. What is VA's plan to ensure that stockpiled products, in the regional readiness centers and elsewhere, are stored properly, tracked, and rotated into the supply chain to avoid expiration? Has VA updated its relevant policies since the end of the pandemic?
12. What is VA's plan to maintain an operational inventory of critical medical supplies to prevent competition with state, local, tribal, and territorial governments in the event of another public health emergency? How does this plan relate to VA's plan to manage its stockpiles?
13. Who currently represents VA in the Public Health Emergency Medical Countermeasures Enterprise (PHEMCE)? What progress has VA made through the PHEMCE to strengthen public health readiness and ensure emergency access to medical countermeasures?

If you have any questions pertaining to this request, please do not hesitate to have your staff contact James Whittaker, staff director for the Subcommittee on Oversight and Investigations, at James.Whittaker@mail.house.gov or Jake Gilluly, professional staff for the Select Committee on China, at Jake.Giluly@mail.house.gov. Thank you for your attention to this matter.

Sincerely,



MIKE BOST
Chairman



MIKE GALLAGHER
Chairman

Cc: The Honorable Mark Takano, Ranking Member
The Honorable Raja Krishnamoorthi, Ranking Member